



**MINUTES**  
**Economic Development Authority**  
**December 18, 2018**

**CALL TO ORDER**

The Economic Development Authority meeting was called to order at 5:00 pm.

**Present:** Chair: Jahn Dyvik; Vice Chair: Carrie Clemens, Board: Lori Goodsell, Tim Hultmann, Michelle Jerde, Marty Schneider, and Tom Skjaret

**Staff Present:** City Administrator/Executive Director: Scott Weske; City Clerk: Jeanette Moeller

**Absent:** None

**PLEDGE OF ALLEGIANCE**

**APPROVE AGENDA**

*A motion was made by Jerde, seconded by Skjaret, to approve the agenda. Ayes: all.*

**CONSENT AGENDA**

A. Approve Minutes of November 20, 2018 EDA Meeting

*A motion was made by Skjaret, seconded by Clemens, to approve the minutes of the November 29, 2018 EDA meeting. Ayes: all.*

**OPEN CORRESPONDENCE**

None.

**BUSINESS ITEMS**

**Discuss Environmental Review of Property at 1905 Wayzata Boulevard W - Former BP Station Site**

Scott Weske, Executive Director, provided a brief introduction and asked Adam Zobel of Wenck to give a more thorough explanation.

Adam Zobel, Environmental Project Manager, Wenck, commented on his firm's extensive experience with redevelopment of contaminated sites and noted he had reviewed the environmental reports that were available for the former BP station property. He explained that the fuel tanks have been removed but there is a lot of residual contamination on the site primarily from gasoline. He noted that there would need to be interaction with the Minnesota Pollution Control Agency (MPCA) prior to any potential redevelopment of the property. He stated that he does not believe the building, car wash area or service bays have been investigated and noted that removal of sediment tanks and oil reservoirs will also require some environmental oversight. He commented on the difference between Phase 1 and Phase 2 testing requirements; and explained that if someone were to change the site conditions of a contaminated property, it would need to be managed under the umbrella of the MPCA. He noted that if contamination is found during work on the site, what needs to happen will depend on the use of the site. There is some funding available through Hennepin County to

assist in cleaning up sites like this, however the concept plan needs to be fairly well developed in order for funding assistance to be considered. He stated that there have been quite a few examples of redevelopment of gas station sites that have gone through this process; ultimately, what will go on the site will need to justify the clean-up costs that will be incurred. He explained that a typical cost to haul away contaminated soil and replace with clean fill will cost \$35/cubic yard. He stated that he did not believe this is a site that should be cleaned up in order to sell it because it could easily cost \$500,000.

Board member Skjaret stated that if he was understanding Mr. Zobel, a successful grant applicant will have a contaminated property, an action plan to clean it up and an existing developer with a development plan for what will be built on the location.

Mr. Zobel stated that was correct and noted that the clean up program won't even consider funding a site unless there is a developer in place.

Board member Goodsell asked what the estimated cost would be if the site would just be paved over.

Mr. Zobel stated that his \$500,000 was for taking out soils and bringing in clean fill. He stated that the other approach would be to do a Phase 1 and create a construction contingency plan that addresses what will be done if any additional contamination is found. He stated that a Phase 1 study will cost about \$2,500, the contingency action plan would be about \$3,500. He stated that then the EDA could enroll into the clean up program but the MPCA does charge a fee to review the site which he estimates to be around \$2,000 but noted that there would probably also need to be daily site visits which would increase that cost. He stated that he would estimate the costs to get everything ready and all the final closure reports and letters would cost \$10,000-\$15,000, without asphalt costs.

Board members discussed the potential cost implications of purchasing and remediating the site contamination. Board member Goodsell stated that she feels that the EDA may need to consider this project a money loser, but a town winner.

Board member Schneider questioned what the liability would be, for example in five years, if the neighboring property goes to redevelop and discovers contaminated materials from this site. He asked if there would be any way to compel the current owners of the site to complete the site cleanup.

Mr. Zobel stated that most of the time if there is redevelopment, what they find and uncover ends up being taken care of at their own cost. He stated that based on the soil borings, he does not think there is any contamination that extends near the neighboring property. He noted that the current owners have done everything that they have been required to do as far as clean up of the site and any additional clean up efforts would have to be done by whomever wants to redevelop the site.

Chair Dyvik asked if the next step would be to ask Wenck to put together a project estimate to demolish the building and get the site ready to move forward and get a letter of release from the MPCA.

Executive Director Weske asked Mr. Zobel if he felt the \$2,500 for the Phase 1 would be the first step in the due diligence process.

Mr. Zobel stated that he did not think so because the EDA is already aware that there is contamination, but a Phase 1 should be done if the site will be purchased. He stated that there are

ways to make the site more attractive such as clean up the site to 4 feet, which would reduce the cost a bit.

The EDA discussed the idea of demolishing the building, but leaving the slab in place so it is more visually appealing. They discussed the possibility of marketing the site to someone that would either keep the existing footprint or smaller, so there would not be the chance of disturbing the contaminated soils.

Weske noted that the 90-day period will be up at the end of February.

Board member Skjaret stated that it appears to him that there is a strong possibility that there may be funds available from the Metropolitan Council or Hennepin County to assist in cleaning up this site since they are looking for cities outside of Minneapolis/St. Paul.

Mr. Zobel noted that the grant applications can be submitted two times during a year, May 1<sup>st</sup> and November 1<sup>st</sup>.

Weske asked for direction from the EDA about the parameters they would like to see for the work on this property. He asked if the EDA wanted to first pursue something smaller like cleaning up the site and then let the property sit for another year before considering more extensive work on the site.

Chair Dyvik stated that he would like to see all the different cost estimates for the different options before a decision is made.

Weske stated that he didn't think there would be a large cost to putting together some quotes and estimates for different level options for this project by the next meeting.

### **Business District Initiative Grant Status Update**

Board member Schneider stated that they are hoping to still submit some bills for funding through the BDI grant. He noted that he had reached out to the grant coordinator for the County, asking for a meeting or phone call between her, Chair Dyvik and himself. He explained that that he wanted to ask if there was a possibility of an extension to the grant since the EDA had lost the consultant retained to assist in implementation of the grant. He stated that as part of the conversation regarding an extension, the County would be seeking detailed information regarding purchases hoped to be allocated to the current grant.

### **OTHER BUSINESS**

Board member Schneider stated that he had been contacted by Overland Properties who had been before the EDA last spring discussing a 32-unit apartment building on Virginia Avenue. He stated that the representative from Overland stated that they would be amenable to re-engaging in a full discussion on what the EDA was looking for because they are still interested in the property.

Board member Skjaret stated that the EDA is very close to being done with both County Road 112 Phase 1 and Phase 2 construction. He suggested that perhaps it may be time that the EDA consider revamping to become a little more inclusive outside of just the Council and a few other members. He stated that perhaps it may be time to consider a seven or nine-member board to get more input from the business community as well as some engagement for promoting the community. He commented that none of the current members of the EDA are in business in the City. He suggested that the EDA consider this and direct Executive Director Weske to draft some possibilities of this change after the new year.

Board member Clemens expressed her thanks for allowing her to serve on the EDA for the last few years.

**ADJOURN**

*A motion was made by Schneider, seconded by Skjaret, to adjourn the meeting at 6:20 pm. Ayes: all.*

Respectfully submitted,  
Scott Weske, Executive Director